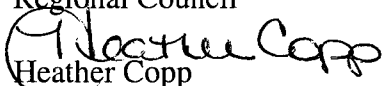


# REPORT

**DATE:** July 10, 2004

**TO:** Administration Committee  
Regional Council

**FROM:**   
Heather Copp  
Chief Financial Officer/DBE Liaison Officer

**RE:** Approval of Draft Disadvantaged Business Enterprise (DBE) Goal and Methodology for Federal Fiscal Year (FY) 2004-2005

**EXECUTIVE DIRECTOR'S APPROVAL:**

**RECOMMENDED ACTION:**


Approve Draft DBE Goal and Methodology for Federal FY 2004-2005 for release for public comment.

**BACKGROUND:**

On June 8, 2004, SCAG received the attached approval letter from the State Department of Transportation (Caltrans). Caltrans reviewed SCAG's Draft DBE Goal and Methodology for Federal FY 2004-2005 and determined that it meets the basic requirements of the applicable Federal regulation (49 CFR Part 26).

Upon approval by the Regional Council, SCAG will publish a notice of the Draft DBE Goal and Methodology for Federal FY 2004-2005, informing the public that comments will be accepted for forty-five (45) calendar days from the date the notice is advertised. The Public Notice will be placed in various newspapers, including minority newspapers, and on SCAG's website.

**FISCAL IMPACT:**

Cost for the Public Notice is approximately \$2,100. Source of funds: Indirect Overhead. 



**DEPARTMENT OF TRANSPORTATION**  
DISTRICT 7, OFFICE OF LOCAL ASSISTANCE AND  
ALAMEDA CORRIDORS  
700 N. ALAMEDA STREET, 4<sup>TH</sup> FL.  
LOS ANGELES, CA 90012  
PHONE (213) 620-6544  
FAX (213) 620-6583



*Flex your power!  
Be energy efficient!*

June 8, 2004

Annual Overall DBE Goal Information & Methodology  
Federal Fiscal Year (FFY) 2004-2005

Mr. Mark Pisano  
Chief-Executive Officer  
Southern California Association of Governments  
818 W. Seventh Street, 12<sup>th</sup> Floor  
Los Angeles, CA 90017-3435

ATTN: Ms. Heather Copp, DBE Liaison Officer

Dear Mr. Pisano:

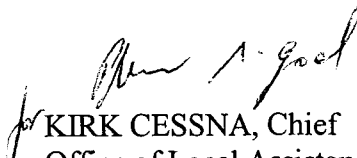
We have reviewed your Draft DBE Goal and Methodology for FFY 2004-2005. It meets the basic requirements of 49 CFR Part 26. Therefore, we approve the Draft DBE Goal and Methodology for FFY 2004-2005. Your Draft is attached.

Now, you can advertise your DBE Goal for public participation and comments. The Public participation and commenting period is 45 days from the day of advertising your DBE Goal.

Once the commenting period (45 days) is over, then submit your final DBE Goal information and Goal Methodology along with proof of publication, summary of comments and your responses for our review and approval. Final submission is due by September 1, 2004

Should you have any questions, please contact Sohan Basra of my staff at (213) 620-6307.

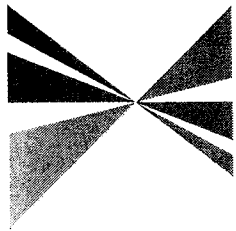
Sincerely,

  
KIRK CESSNA, Chief  
Office of Local Assistance  
and Alameda Corridors

Attachment:

000023

SOUTHERN CALIFORNIA



**ASSOCIATION of  
GOVERNMENTS**

Main Office

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Los Angeles, California

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Valley • Lawrence Dale, Barstow • Lee Ann Garcia,  
Grand Terrace • Susan Longville, San Bernardino •  
Gany Ovitt, Ontario • Deborah Robertson, Rialto

**Ventura County:** Judy Mikels, Ventura County •  
Glen Becerra, Simi Valley • Carl Morehouse, San  
Buenaventura • Toni Young, Port Hueneme

**Orange County Transportation Authority:**  
Charles Smith, Orange County

**Riverside County Transportation Commission:**  
Robin Lowe, Hemet

**Ventura County Transportation Commission:** Bill  
Davis, Simi Valley

May 28, 2004

Mr. Kirk Cessna, Office Chief of Local Assistance  
California Department of Transportation  
700 N. Alameda Street, 4<sup>th</sup> Floor  
Los Angeles, CA 90012

Attention: Mr. Sohan Basra

RE: **DRAFT ANNUAL OVERALL DBE GOAL INFORMATION FOR  
FY 2004-2005**

Dear Mr. Basra:

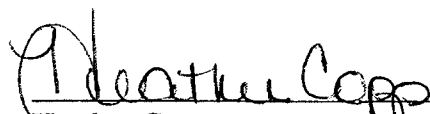
The Southern California Association of Governments (SCAG) respectfully submits for your review and comments our annual overall goal information for the new fiscal year (FY). SCAG proposes an annual overall DBE goal of 6% for FY 2004-2005, which begins on July 1, 2004 and ends on September 30, 2005 (It is SCAG's intent to revert back to the Federal fiscal year reporting period for future overall DBE goal submittals).

The amount of overall goal, methodology, and breakout of estimated race-neutral and race-conscious participation are presented herein (see Attachment) in accordance with Title 49 of the Code of Federal Regulations Part 26, and as described in the *Local Assistance Procedures Manual* ("LAPM," March 2001). Also, we will be updating our DBE program and submitting it for approval in July.

A summary of the breakout percentages appears below.

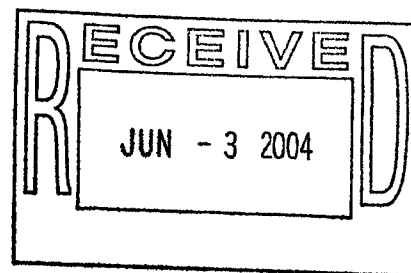
Breakout of Estimated Race-Neutral and Race-Conscious Participation

**5.4%** (90% of the total goal of 6%) is broken-out as a race-conscious component. The remaining **.6%** (10% of the total goal of 6%) is spent using race-neutral means, where products and services are purchased from vendors based only on the lowest cost and best qualifications.

  
Heather Copp  
CFO/DBE Liaison Officer

5/28/04  
Date

000024



## ATTACHMENT

### *DBE Goal Methodology*

The Southern California Association of Governments (SCAG) FY 2004-2005 Overall Work Program (OWP) is partly funded by the U.S. Department of Transportation (DOT) under a Consolidated Planning Grant (CPG), which includes funding from FHWA and FTA.<sup>1</sup> SCAG also receives funding from FAA and other Federal sources. The estimated value of DOT-assisted contracts and purchases identified in FY 2004-2005 is as follows:

#### *I. DOT-Assisted Contracting Program [ 49CFR 26.45(a)]: Anticipated Work Program for FFY 2004-2005*

Work Category	NAICS Category	Estimated Dollar Value	% of Federal Funding by Work Category
Transportation Planning Consulting	541614		
Environmental Consulting Services	541620		
Professional Services	541990	\$ 10,389,496*	98%
Commercial Lithographic Printing	323110	\$ 218,484*	2%
<b>TOTAL</b>		<b>\$ 10,631,220*</b>	<b>100%</b>

\*These numbers exclude carry-over funding from the FY 2003-2004 OWP and are strictly for new contracts and purchase orders.

The types of projects funded from the above sources, will be directly administered by SCAG and include:

- Air Quality Management Plans
- Growth Visioning Studies
- Aerial Photography
- Regional Demographic Modeling and Area Income Modeling
- Air Cargo Studies
- Economic Modeling
- Environmental Impact Reports
- Goods Movement/Truck and Rail Studies
- Highway Studies and Highway Inventories
- Housing Needs Assessments and Strategies
- Parking Cost Modeling
- Regional Cordon Surveys
- Public Participation and Outreach
- Other Required Transportation Planning & Mandated Activities

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<sup>1</sup> The FY 2004-2005 OWP is expected to begin on July 1, 2004 and end on September 30, 2005.

**II. DBE Goal Methodology [49CFR 26.45(b)]:**  
**Definition of Base Figure [49 CFR 26.45(b)]**

The base figure is defined as the relative availability of DBEs in relation to all comparable firms available in an agency's contracting market area.

Number of Ready, Willing, and Able DBEs

----- = BASE FIGURE

Number of All Ready, Willing, and Able Firms

**Step 1. Determination of a Base Figure [49CFR 26.45(c)]:**

The base figure for the relative availability of DBE firms that are ready, willing, and able to participate in DOT-assisted contracting in the SCAG area are as follows:

	<u>Consulting/Professional</u>	<u>Printing</u>
Base Figure =	$\frac{.98 (79)}{1036}$	$\frac{.02 (3)}{71}$
Base Figure =	.07	0
Base Figure =	7%	

SCAG determined the Base Figure by following the "Utilizing the Bidders List" methodology. SCAG maintains an internal database of consultants and vendors. Presently, SCAG's database provides the most accurate number of potential DBEs available in the SCAG area.

SCAG's database contains firms that provide the types of services utilized by SCAG in the six-county region (Los Angeles, Orange, Imperial, Ventura, San Bernardino, and Riverside counties). Since SCAG is a transportation planning agency, SCAG frequently contracts with transportation planning and environmental consultants throughout the region.

Therefore, based upon the ratio of DBE to non-DBE firms, the base figure is 7% for availability of participation by DBE firms.

**Step 2. Adjusting the Base Figure [49CFR 26.45(d)]:**

After determining the base figure of 7%, staff surveyed SCAG's records from the previous year to determine whether an adjustment of the base figure is necessary.

In the past year, the value of contracts awarded to DBE firms was approximately \$240,403, out of a total value of approximately \$5,531,233 awarded to vendors and consultants during the same period. Therefore, the percentage of work awarded to DBE firms, based on the total value of all contracts and purchase orders was 4%.

SCAG anticipates at least 4% participation by DBE firms for FY 04-05, with an adjustment downward from 7% to 6% considering past participation.

***Resultant Goal [49 CFR 26.45(e)]: 6%***

***III. Breakout of Estimated Race-Neutral and Race-Conscious Participation [49 CFR 26.51]:***

“Race-conscious measure or program” is one that is focused specifically on assisting only DBEs, including women owned DBEs” (LAPM, 9-1).

Under the above definition, SCAG employs the following race-conscious measure:

SCAG contracting procedures require the consultant selection panel to factor DBE participation into the competitive selection process. A bidder may receive a weighted score of 1-5 points (out of 100 total points), depending on whether a bidder is a DBE or subcontracts part of the work to a DBE firm. Five points is the maximum weight received if DBE participation is involved.

Since approximately 90% of the DOT-assisted funds received by SCAG are awarded to consultants through the selection process described above, 90% of the total goal should be broken-out as a race conscious component. The remaining 10% are spent using race-neutral means, where products and services are purchased from vendors based only on the lowest cost and best qualifications.

***IV. Public Participation in Setting Overall Annual DBE Goal [49 CFR 26.45(g)]***

Upon approval of this draft goal by Caltrans and SCAG’s governing body, the Regional Council, SCAG will publish a notice of the proposed overall goal, in compliance with 49 CFR 26.45(g) and the LACM.